



Midwest Health Plan, Inc.

akessler@midwesthealthplan.com
(E-Mail Address)

OFFICERS

<u>Name</u>	<u>Title</u>
Mark Saffer DPM	President
Jack Shapiro MD	Secretary
Robert Rubin DPM	Treasurer

OTHERS

Allen A. Kessler CPA

DIRECTORS OR TRUSTEES

Jack Shapiro MD
Robert Rubin DPM
Myra Gamble

State of Michigan
County of Wayne ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)

 Mark Saffer

 (Printed Name)
 1.
 President

 (Title)

(Signature)
 Jack Shapiro

 (Printed Name)
 2.
 Secretary

 (Title)

(Signature)
Robert Rubin
(Printed Name)
3.
Treasurer
(Title)

Subscribed and sworn to before me this
day of _____, 2011

a. Is this an original filing?

b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	1,000,833		1,000,833	1,008,328
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....26,127,999), cash equivalents (\$.....0) and short-term investments (\$.....57,095,998)	83,223,997		83,223,997	74,713,515
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	84,224,830		84,224,830	75,721,843
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	64,563		64,563	23,736
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	1,011,253		1,011,253	455,528
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	50,983		50,983	415,908
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon	559,559		559,559	739,559
18.2	Net deferred tax asset	645,000	406,000	239,000	239,000
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	404,585	404,585		
21.	Furniture and equipment, including health care delivery assets (\$.....0)	242,739	242,739		
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care (\$.....209,870) and other amounts receivable	209,870		209,870	174,163
25.	Aggregate write-ins for other than invested assets	216,166	216,166		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	87,629,547	1,269,490	86,360,057	77,769,737
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	87,629,547	1,269,490	86,360,057	77,769,737
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Asset	216,166	216,166		
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	216,166	216,166		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.0 reinsurance ceded)	27,451,867		27,451,867	25,083,949
2.	Accrued medical incentive pool and bonus amounts	812,957		812,957	1,346,608
3.	Unpaid claims adjustment expenses	778,756		778,756	767,480
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	414,490		414,490	
9.	General expenses due or accrued	1,873,377		1,873,377	2,037,596
10.1	Current federal and foreign income tax payable and interest thereon (including \$.0 on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.0 current) and interest thereon \$.0 (including \$.0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	0		0	99,585
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$.0 authorized reinsurers and \$.0 unauthorized reinsurers)				
20.	Reinsurance in unauthorized companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.35,000,000 current)	35,000,000		35,000,000	
24.	Total liabilities (Lines 1 to 23)	66,331,446		66,331,446	29,335,218
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X	186,230	186,230
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	33,770	33,770
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	19,808,611	48,214,519
32.	Less treasury stock, at cost:				
32.1	.0 shares common (value included in Line 26 \$.0)	X X X	X X X		
32.2	.0 shares preferred (value included in Line 27 \$.0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	20,028,611	48,434,519
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	86,360,057	77,769,737
DETAILS OF WRITE-INS					
2301.	Dividend Payable	35,000,000		35,000,000	
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	35,000,000		35,000,000	
2501.		X X X	X X X		
2502.		X X X	X X X		
2503.		X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.		X X X	X X X		
3002.		X X X	X X X		
3003.		X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	660,382	636,171	848,284
2.	Net premium income (including \$.....0 non-health premium income)	X X X	197,242,247	185,060,867	248,357,265
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X			
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X	(439,703)	(430,499)	(588,639)
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	196,802,544	184,630,367	247,768,626
Hospital and Medical:					
9.	Hospital/medical benefits		115,484,156	108,370,167	146,734,048
10.	Other professional services		9,973,887	9,403,669	12,614,467
11.	Outside referrals		1,575,988	1,602,713	1,864,977
12.	Emergency room and out-of-area		10,999,893	11,024,935	14,434,913
13.	Prescription drugs		19,987,135	18,633,898	25,144,060
14.	Aggregate write-ins for other hospital and medical				
15.	Incentive pool, withhold adjustments and bonus amounts		2,379,653	2,550,239	3,218,898
16.	Subtotal (Lines 9 to 15)		160,400,711	151,585,620	204,011,362
Less:					
17.	Net reinsurance recoveries			300,000	165,908
18.	Total hospital and medical (Lines 16 minus 17)		160,400,711	151,285,620	203,845,454
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....0 cost containment expenses		2,741,898	2,176,579	3,026,000
21.	General administrative expenses		23,339,502	20,482,350	28,243,555
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23.	Total underwriting deductions (Lines 18 through 22)		186,482,110	173,944,549	235,115,010
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	10,320,434	10,685,818	12,653,616
25.	Net investment income earned		47,982	39,269	52,073
26.	Net realized capital gains (losses) less capital gains tax of \$.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		47,982	39,269	52,073
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	10,368,416	10,725,087	12,705,689
31.	Federal and foreign income taxes incurred	X X X	3,630,000	3,754,000	4,196,441
32.	Net income (loss) (Lines 30 minus 31)	X X X	6,738,416	6,971,087	8,509,248
DETAILS OF WRITE-INS					
0601.	Revenue - Other	X X X	273,200	294,933	368,366
0602.	Management Fee Income - Related Party	X X X	180,000	180,000	240,000
0603.	Child & Adolescent Health Center Fee	X X X	(925,452)	(905,433)	(1,197,005)
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X	32,549		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(439,703)	(430,499)	(588,639)
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	.....			
1402.	Unpaid Claims Adjustment Expense				
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.	.....			
2902.	Extraordinary Item - Claim Settlement				
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	48,434,519	45,989,174	45,989,174
34.	Net income or (loss) from Line 32	6,738,416	6,971,087	8,509,248
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			239,000
39.	Change in nonadmitted assets	(144,324)	(104,289)	(302,903)
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments:			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders	(35,000,000)	(6,000,000)	(6,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	(28,405,908)	866,798	2,445,345
49.	Capital and surplus end of reporting period (Line 33 plus 48)	20,028,611	46,855,972	48,434,519
DETAILS OF WRITE-INS				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

CASH FLOW

		1	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	197,101,013	187,276,624	250,117,494
2.	Net investment income	14,650	39,183	48,309
3.	Miscellaneous income	(439,703)	(430,499)	(588,639)
4.	Total (Lines 1 to 3)	196,675,959	186,885,307	249,577,164
5.	Benefit and loss related payments	158,201,520	149,234,002	200,451,532
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	25,992,993	22,542,332	30,643,114
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	3,450,000	4,125,000	5,640,000
10.	Total (Lines 5 through 9)	187,644,512	175,901,333	236,734,646
11.	Net cash from operations (Line 4 minus Line 10)	9,031,447	10,983,974	12,842,518
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds			1,000,000
12.2	Stocks			
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets			
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7	Miscellaneous proceeds			
12.8	Total investment proceeds (Lines 12.1 to 12.7)			1,000,000
13.	Cost of investments acquired (long-term only):			
13.1	Bonds			1,009,993
13.2	Stocks			
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets			
13.6	Miscellaneous applications			
13.7	Total investments acquired (Lines 13.1 to 13.6)			1,009,993
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)			(9,993)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			6,000,000
16.6	Other cash provided (applied)	(520,965)	213,250	(155,448)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(520,965)	213,250	(6,155,448)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,510,482	11,197,224	6,677,077
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	74,713,515	68,036,438	68,036,438
19.2	End of period (Line 18 plus Line 19.1)	83,223,997	79,233,662	74,713,515

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001				
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	71,013							378	70,635	
2. First Quarter	72,977							376	72,601	
3. Second Quarter	73,300	172						372	72,756	
4. Third Quarter	73,927	420						363	73,144	
5. Current Year										
6. Current Year Member Months	660,382	1,249						3,350	655,783	
Total Member Ambulatory Encounters for Period:										
7. Physician	329,324	176						3,325	325,823	
8. Non-Physician	221,761	74						2,310	219,377	
9. Total	551,085	250						5,635	545,200	
10. Hospital Patient Days Incurred	21,627	3						367	21,257	
11. Number of Inpatient Admissions	5,562	2						75	5,485	
12. Health Premiums Written (a)	197,658,389	95,929						4,217,619	193,344,842	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	197,658,389	95,929						4,217,619	193,344,842	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	158,566,445	23,403						2,808,246	155,734,795	
18. Amount Incurred for Provision of Health Care Services	160,400,711	65,820						2,951,398	157,383,492	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....4,217,619.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
PBM, HRA, GME & SNAF	10,535,318					10,535,318
0199999 Individually Listed Claims Unpaid	10,535,318					10,535,318
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	10,535,318					10,535,318
0599999 Unreported claims and other claim reserves						16,916,549
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						27,451,867
0899999 Accrued Medical Incentive Pool And Bonus Amounts						812,957

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)		23,403		42,417		
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	493,307	2,314,939	115,684	666,536	608,991	639,068
7.	Title XIX - Medicaid	22,617,811	130,413,550	1,071,711	25,555,519	23,689,522	24,444,881
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	23,111,118	132,751,893	1,187,395	26,264,472	24,298,513	25,083,949
10.	Healthcare receivables (a)		209,870				
11.	Other non-health						
12.	Medical incentive pools and bonus amounts	1,063,517	1,849,787		812,957	1,063,517	1,346,608
13.	Totals (Lines 9 - 10 + 11 + 12)	24,174,635	134,391,810	1,187,395	27,077,429	25,362,030	26,430,558

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual and the basis of accounting practices generally prescribed or permitted by the State of Michigan Division of Insurance (statutory basis). Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America.

The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Electronic data processing equipment & software and Furnitures and fixtures would be capitalized at cost and depreciated over the estimated useful lives of the assets.
- Deferred income taxes would provide for all temporary differences between taxes currently payable and taxes based upon financial income.

B. Use of Estimates

No Change

C. Accounting Policy

No Change except in the timing of the revenue recognition for Maternity Case Rate payments from MDCH. Prior to this quarter, the Plan recognized the Maternity Case Rate payment revenue when received. Due to an increase in the activity for this payment, the Plan has elected to record the estimated revenue and corresponding receivable based on occurrence date. This estimated amount is \$1,011,253 as of September 30, 2011.

2. Accounting Change and Correction of Errors

None.

3. Business Combination and Goodwill

None

4. Discontinued Operations

None.

5. Investments

No Change

5D. Loan-Backed Securities– None

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

Investment income was from the following sources as of September 30, 2011:

Cash, Cash Equivalents and Short-Term Investments	\$47,977
Long-term bond – U.S. Treasury Note	<u>5</u>
Totals	\$47,982

8. Derivative Instruments

None.

9. Income Taxes

No Change in the Admitted and Non-Admitted Deferred Tax Asset
\$3,630,000 is the estimated Federal Income Tax for the three months ended September 30, 2011

10. Information Concerning Parent, Subsidiaries and Affiliates

The Plan incurred \$1,391,250 in September to terminate its master operating lease agreement with SPS Woodbridge, LLC as of October 31, 2011. The rent expense with SPS Woodbridge, LLC was \$1,740,000 for the nine months ended September 30, 2011 and \$564,585 for 2010. See Note 22 below.

No Change with the following:

- Under a primary site/plan agreement with Rick Poston, DO PC, the Plan is responsible for making payments for provider services based on enrolled members.
- The Plan has an Affiliate Services Agreement with Midwest Health AKM, Inc.

11. Debt

Notes to Financial Statement

None

12. Employee Benefit Plan

No Change

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The Board of Directors declared a \$35,000,000 dividend in September 2011, subject to approval by the State of Michigan Department of Licensing and Regulatory Affairs, in conjunction with the sale of Midwest Health Plan, Inc.'s stock to Health Alliance Plan as of November 1, 2011. The State of Michigan approved the dividend (\$8,500,000 as ordinary and \$26,500,000 as extraordinary) contingent upon the approved sale to Health Alliance Plan of Michigan. In connection with the sale, three of the Plan's current Board members, two of which are Officers, will resign as of October 31, 2011. These positions were immediately filled as of November 1st. The change in ownership will not affect the Plan's day to day operations.

14. Commitments and Contingencies

None

15. Leases

See Note 10 for lease termination and Note 22 for new operating lease agreement effective November 2011.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

None.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

No Change

19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators

None.

20. Fair Value Measurements

A. Assets Measured at Fair Value on a Recurring Basis at September 30, 2011:

Description	Level 1	Unrecognized Gain
Short Term Investments – U.S. Treasury Bills	\$57,173,642	\$77,216

- B. No assets and liabilities measured on a nonrecurring basis.
- C. Not applicable
- D. Not applicable

21. Other Items

In May, the Plan commenced participation in the MIChild program.

22. Events Subsequent

The State of Michigan approved the sale of the Plan's stock to Health Alliance Plan of Michigan, a federally qualified licensed Health Maintenance Organization, effective November 1, 2011 – see Note 13 above. Midwest Health Plan will independently operate as a wholly owned subsidiary of Health Alliance Plan. The Plan's Board of Directors approved, contingent upon the State's approval of the sale to HAP, the following:

- The company will incur approximately \$1,150,000 in one-time expenses (accounting, legal and consulting services) related to this transaction, of which \$150,000 for legal services was expensed as of September 30, 2011. In the \$1,150,000 is \$500,000 to Midwest Health Center, P.C., a related party, for consulting services.
- Bonuses and accrued compensation to the officers and employees of the Plan, of which \$1,237,500 remains in an escrow account for subsequent distribution.
- Consulting fees of approximately \$1,850,000 to Midwest Health AKM, Inc., a related party.
- The termination of the master lease with SPS Woodbridge Company, LLC as of October 31, 2011, and noted above in Note 10. Effective November 1, 2011, the Plan entered into a new operating lease with SPS Woodbridge Company, LLC with an estimated annual cost of \$21,600.

23. Reinsurance

No Change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

None.

25. Change in Incurred Claims and Claims Adjustment Expenses

The Plan had estimated claims unpaid of \$25,083,949 as of December 31, 2010. A certified actuary has opined upon the estimated reserve for claims incurred but not reported. Although management believes that the provision for unpaid claims is

Notes to Financial Statement

adequate, it is not known until the ultimate settlement of these liabilities. Any future adjustments to these amounts will affect the reported results of future periods. As of September 30, 2011, \$23,111,118 has been paid for claims incurred prior to 2011. In addition, the Plan recognized claim adjustment expenses based on an actuarial determined amount, which is \$2,741,898 as of September 30, 2011.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables - Admitted

No Change in methodology

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[X] No[]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[X] No[] N/A[]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2007
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/28/2008
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[X] No[] N/A[]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[X] No[]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$..... 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$..... 0
13. Amount of real estate and mortgages held in short-term investments:

\$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages Loans on Real Estate		
14.26	All Other		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Bank of America, N.A. Wealth Management Group	2600 West Big Beaver, Troy, MI 48084

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[] No[X]

16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	81.320%
1.2 A&H cost containment percent	0.000%
1.3 A&H expense percent excluding cost containment expenses	15.060%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Non-affiliates						
93572	43-1235868 .....	..... 01/01/2011	RGA REINS CO	MO .....	..... SSL/L/I .....	..... Yes[X] No[]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	95,929	4,217,619	193,344,842				197,658,389	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	95,929	4,217,619	193,344,842				197,658,389	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1	95,929	4,217,619	193,344,842				197,658,389	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Q15

N O N E

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

No

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



OVERFLOW PAGE FOR WRITE-INS

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1	2	3	4
		Uncovered	Total	Total	Total
0604.	Revenue Other - Class Action Settlement Proceeds	X X X	32,549	.....	.....
0605.	.....	X X X .....	.....	.....	.....
0697.	Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	X X X	32,549	.....	.....

STATEMENT AS OF **September 30, 2011** OF THE **Midwest Health Plan, Inc.**

SCHEDULE A - VERIFICATION

Real Estate		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other than temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

Mortgage Loans		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and mortgage interest points		
9.	Total foreign exchange change in book value/recorded investment		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

Other Long-Term Invested Assets		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

Bonds and Stocks		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,008,328	1,012,209
2.	Cost of bonds and stocks acquired		1,009,993
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of		1,000,000
7.	Deduct amortization of premium	7,495	13,875
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	1,000,833	1,008,328
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	1,000,833	1,008,328

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	58,108,190			(2,498)	58,113,187	58,108,190	58,105,692	54,098,950
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	58,108,190			(2,498)	58,113,187	58,108,190	58,105,692	54,098,950
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	58,108,190			(2,498)	58,113,187	58,108,190	58,105,692	54,098,950

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	57,095,998	X X X	57,095,998	43,720	

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	53,090,622	43,066,684
2.	Cost of short-term investments acquired	44,924,574	69,924,291
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	40,919,198	59,900,353
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	57,095,998	53,090,622
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	57,095,998	53,090,622

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01	Schedule A Part 2	NONE
E01	Schedule A Part 3	NONE
E02	Schedule B Part 2	NONE
E02	Schedule B Part 3	NONE
E03	Schedule BA Part 2	NONE
E03	Schedule BA Part 3	NONE
E04	Schedule D Part 3	NONE
E05	Schedule D Part 4	NONE
E06	Schedule DB Part A Section 1	NONE
E07	Schedule DB Part B Section 1	NONE
E08	Schedule DB Part D	NONE
E09	Schedule DL - Part 1 - Securities Lending Collateral Assets	NONE
E10	Schedule DL - Part 2 - Securities Lending Collateral Assets	NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
							6	7	8	
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
open depositories										
Bank of America, N.A.	Checking			0.010	531	5	25,378,192	28,986,684	25,850,826	X X X
Bank of America, N.A.	Payroll Account						176,557	380,483	277,174	X X X
										X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	531	5	25,554,749	29,367,167	26,127,999	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	531	5	25,554,749	29,367,167	26,127,999	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X	531	5	25,554,749	29,367,167	26,127,999	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div>NONE</div>							
8699999 Total - Cash Equivalents

**INDEX TO HEALTH
QUARTERLY STATEMENT**

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11

Accounting Practices and Policies; Q5; Q10, Note 1

Admitted Assets; Q2

Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05

Bonuses; Q3; Q4; Q8; Q9

Borrowed Funds; Q3; Q6

Business Combinations and Goodwill; Q10, Note 3

Capital Gains (Losses)

 Realized; Q4

 Unrealized; Q4; Q5

Capital Stock; Q3; Q10, Note 13

Capital Notes; Q6; Q10, Note 11

Caps; QE06; QSI04

Cash; Q2; Q6; QE11

Cash Equivalents; Q2; Q6; QE12

Claims; Q3; Q4; Q8; Q9

Collars; QE06; QSI04

Commissions; Q6

Common Stock; Q2; Q3; Q6; Q11.1; Q11.2

Cost Containment Expenses; Q4

Contingencies; Q10, Note 14

Counterparty Exposure; Q10, Note 8; QE06; QE08

Debt; Q10, Note 11

Deferred Compensation; Q10, Note 12

Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08

Discontinued Operations; Q10, Note 4

Electronic Data Processing Equipment; Q2

Encumbrances; Q2; QSI01; QE01

Emergency Room; Q4

Expenses; Q3; Q4; Q6

Extinguishment of Liabilities; Q10, Note 17

Extraordinary Item; Q10, Note 21

Fair Value; Q7, Note 20

Fee for Service; Q4

Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05

Forwards; QE06; QSI04

Furniture, Equipment and Supplies; Q2

Guaranty Fund; Q2

Health Care Receivables; Q2; Q9; Q10, Note 28

Hospital/Medical Benefits; Q4

Incentive Pools; Q3; Q4; Q8; Q9

Income; Q4; Q5; Q6

Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9

Incurred Claims and Claim Adjustment Expenses; Q10, Note 25

Intercompany Pooling; Q10, Note 26

Investment Income; Q10, Note 7

 Accrued; Q2

 Earned; Q2; QSI03

 Received; Q6

Investments; Q10, Note 5; Q11.1; Q11.2; QE08

Joint Venture; Q10, Note 6

Leases; Q10, Note 15

Limited Liability Company (LLC); Q10, Note 6

Limited Partnership; Q10, Note 6

Long-Term Invested Assets; Q2; QE03

Managing General Agents; Q10, Note 19

Medicare Part D Coverage; QSupp1

Member Months; Q4; Q7

Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02

Nonadmitted Assets; Q2; Q5; QSI01; QSI03

Off-Balance Sheet Risk; Q10, Note 16

Options; QE06; QSI04

Organizational Chart; Q11; Q14

Out-of-Area; Q4

Outside Referrals; Q4

Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1

Participating Policies; Q10, Note 29

Pharmaceutical Rebates; Q10, Note 28

Policyholder Dividends; Q5; Q6

Postemployment Benefits; Q10, Note 12

Postretirement Benefits; Q10, Note 12

Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

Premium Deficiency Reserves; Q10, Note 30

**INDEX TO HEALTH
QUARTERLY STATEMENT**

Premiums and Considerations

- Advance; Q3
- Collected; Q6
- Deferred; Q2
- Direct; Q7; Q13
- Earned; Q7
- Retrospective; Q2
- Uncollected; Q2
- Unearned; Q4
- Written; Q4; Q7

Prescription Drugs; Q4

Quasi Reorganizations; Q10, Note 13

Real Estate; Q2; Q6; QE01; QSI01

Redetermination, Contracts Subject to; Q10, Note 24

Reinsurance; Q9; Q10, Note 23

- Ceded; Q3; Q12
- Funds Held; Q2
- Payable; Q3
- Premiums; Q3
- Receivable; Q2; Q4
- Unauthorized; Q3; Q5

Reserves

- Accident and Health; Q3; Q4
- Claim; Q3; Q5; Q8
- Life; Q3

Retirement Plans; Q10, Note 12

Retrospectively Rated Policies; Q10, Note 24

Risk Revenue; Q4

Salvage and Subrogation; Q10, Note 31

Securities Lending; Q2; Q3; QE09; QE10

Servicing of Financial Assets; Q10, Note 17

Short-Term Investments; Q2; Q6; Q11.1; QSI03

Stockholder Dividends; Q5; Q6

Subsequent Events; Q10, Note 22

Surplus; Q3; Q5; Q6

Surplus Notes; Q3; Q5; Q6

Swaps; QE07; QSI04

Synthetic Assets; QSI04; QSI05

Third Party Administrator; Q10, Note 19

Treasury Stock; Q3; Q5

Uninsured Accident and Health; Q2; Q3; Q10, Note 18

Valuation Allowance; QSI01

Wash Sales; Q10, Note 17

Withholds; Q4; Q8